



MEMORANDUM

DATE: August 17, 2022
TO: LTD Board of Directors
FROM: Mark Johnson, Interim General Manager
SUBJECT: **INTERIM GENERAL MANAGER QUARTERLY EVALUATION**

Fiscal Year (FY) 2022 is the first year for tracking the Strategic Business Plan (SBP) goals and the Interim General Manager's performance-based review and compensation. As a reminder, for FY 2022, only three quarters of performance will be reported due to the timing of the adoption of the SBP and the appointment of the Interim General Manager (IGM). This report is for the fourth quarter (Q4) of FY22.

Under the IGM's leadership, significant progress has been achieved in meeting the goals set out in the SBP. The District started seeing light at the end of the tunnel for COVID, although there have been continued infections in the workforce and the community. Mask mandates have been lifted and ridership continues in an upward trend. Staff has been working on reenergizing the group pass programs as well as our student pass program, and low-income pass program.

There is still a lot of movement in the workforce. The Director of IT and Strategic Innovation remains unfilled and we have lost employees to other public entities. Recruiting and retention continues to be challenging in both the front-line employees and administrative staff.

There has been significant effort this quarter working with public partners to ensure that there is adequate transportation to accommodate the World Games in July. Planning and operations staff have been working to develop a package of services to ensure that people can get around the community easily. While this has been a slight distraction, it is consistent with the District's strategic focus areas; particularly community value and customer satisfaction.

AREAS OF FOCUS

EMPLOYEE ENGAGEMENT

I continue to take advantage of opportunities to meet with staff by having monthly virtual all staff meetings that we have named "Inside the Bus". There are typically more than 50 employees present and it is a great opportunity to catch them up on projects, and other District activity. It also gives them a chance to ask questions about things they may have heard about or policy changes.

We continue to distribute meeting notes from the Director's meeting to all staff. I want to be as transparent as possible to employees about policy decisions and other important discussions that Directors are having.

HR staff and Marketing and Communications staff have been meeting with each department to discuss the employee survey and how best to communicate effectively with them. HR is working on a comprehensive plan to improve employee engagement and communication throughout the District. The most challenging group is of course the operations team. There are several programs that were suspended during COVID that need to be reconsidered, the awards and recognition program and employee events are examples of what staff are reviewing for reinstatement and rebuilding.



Community Relations and Outreach

The Directors and I have refocused our attention to building relationships with our public partners as well as community members in general. We have monthly meetings with city of Eugene senior staff, Cottage Grove senior staff and are scheduling meetings with the city of Springfield. I also meet monthly with the public executives.

I have standing Friday lunch meetings with Board members and they have been helpful in offering an opportunity to get to know them better and also for them to ask questions about LTD that may not be on a public meeting agenda. I find value in these lunch meetings and I hope the Board members do as well.

Executive staff and I participate in community organizations by serving on boards or volunteering. Organizations that we are involved in include United Way, Rotary, Cornerstone housing, and other non-profits that help improve life in the community. I continue to encourage executive staff to be part of the community in any way they can so that people are familiar with them as representatives of LTD.

The fourth quarter presented a setback for the GM recruitment. After doing extensive outreach and a robust interview and community involvement process, the preferred candidate declined the position. TransPro, the recruiting firm, started over to recruit candidates. It is hopeful that quarter 1 of FY 23 will be successful.

STRATEGIC BUSINESS PLAN (SBP)

The SBP has been our guide for determining success. Staff have been working on the tactics that will help us achieve the goals in the five areas of focus, customer satisfaction, employee engagement, community value, financial health, and sustainability.

Good progress is being made in the overall scorecard where we are at 67.5 points out of 100. The score of 100 is a three-year goal. There is good progress being made in all areas, the employee engagement score jumped this quarter because we completed the employee survey and have taken steps to improve employee interaction, programs, and communication.

Since there are quarterly performance bonuses built into the IGM evaluation process based on the five areas of focus. I will go through each of them for a brief evaluation. Staff will be presenting the quarterly SBP update in greater detail at the Board meeting.

CUSTOMER SATISFACTION

Goal: 55% net promoter score

Annual Measure: Measured by the ABBG customer satisfaction survey.

Maximum annual performance-based compensation: \$7500

During the Q4 review period, staff have focused on the opportunity to learn and adapt to changes in management processes focused on performance outcomes. Under this section, the goal was set at a 55% net promoter score but after reviewing the results a more accurate measurement would be in the range of a 20% net promoter score. Staff will be reevaluating this goal for next year. While we are not sure about the net promoter score, we have made good progress in other areas to improve customer satisfaction. The accident record is on a downward trend but the number of customer complaints increased for this quarter. In addition, we conducted the ABBG Customer Satisfaction survey in Q3. We had the highest number of responses that we have ever had. LTD also had the highest number of responses of all of the agencies that participated. What makes that particularly impressive is that we were one of the smallest agency to participate. The results will be reported in Q1 of FY23.



Despite the challenging net promoter goal, progress was made in the area of customer satisfaction that would lead to a higher net promoter score.

Overall customer satisfaction score: 20.6 out of 30

The measures and that go into calculation and scores are:

- Customer impression of safety and security: **Score: 2, Goal: 2**
- Customer impression of Operator courtesies: **Score: 2, Goal: 2**
- Customer impression of on time performance: **Score: 3, Goal: 3**
- Net promoter score: **Score: 0, Goal: 8**
- Actual on time performance: **Score: 3.2, Goal: 3**
(We exceed customer's impression in on time performance)
- Accident rate per 100,000 miles: **Score: 1.5, Goal: 2,**
The LTD goal for accidents rates /100,000 miles is 2.5 and our accident rate for Q4 is 2.53. The accident rate is slightly over goal for the quarter, but there continued to be significant improvements over the year.
- Bus operators complaints/100,000 boarding's: **Score: 1.3, Goal: 2,**
After a significant drop in complaints from quarter 2 to quarter 3, bus operator complaints inched up again for quarter 4 that is reflected in a lower score for this measure from 2.1 to 1.3.
- Overall customer satisfaction from survey: **Score: 7.7, Goal: 8**

Requested performance compensation for customer satisfaction: \$0

The IGM agreement states that performance compensation is based on the net promoter score of 55%. Although we will have to adjust that goal there are several steps that staff take to ensure that we are serving our customers well. Some of those are listed above. We back slid slightly this quarter primarily due to the increase in complaints. Staff will evaluate what drove the increase and take steps to improve. Since we did not progress, there is no compensation request. In addition, we are still trying to determine the right number for the net promoter score, which we will have in the first quarter of FY 23.

EMPLOYEE ENGAGEMENT

Goal: An employee engagement score of 65%

Annual measure: Develop a tool to provide accurate data to determine employee engagement and achieve a 65% score.

Maximum performance based compensation: \$6250.00

The employee engagement score jumped to 20.5 for Q4 from Q3. An employee-survey was conducted during Q3 and the results evaluated and reported in Q4.

Overall there was a favorable result from the survey. The survey was based on a 1(strongly disagree)-5 (strongly agree) scale with the baseline set at 4. The average response to the key questions on the survey were between 3 and 4.

Staff have developed a plan to improve employee engagement by meeting with departments individually and better trying to understand areas where leadership can better respond to employee needs and expectations.



Overall Employee Engagement Score: 20.5 out of 25

The tactics used for employee engagement are:

- Employee net promoter score: **Score: 6.5, Goal: 8**
- Employees understand how their performance is linked to LTD success: **Score: 4.1, Goal: 4**
- Employees agree that leadership is invested in their success: **Score:3.3, Goal: 4**
- Employees agree that they are provided the tools needed to work successfully: **Score:3.2, Goal: 4**
- Internal customer satisfaction score: **Score: 3.4, Goal: 5**

Requested performance-based compensation for employee engagement: \$4000.00

COMMUNITY VALUE

Goal: Establish a baseline for the percentage of the community that believes LTD provides value and improve 5%

Annual Measure: Develop the survey to establish baseline and improve 5%

Maximum performance based compensation: \$5000.00

Overall Community Value Score: 0 out of 20

The tactics used for Community value are:

- Community Perception of LTD Value: **Goal: 8**
- Community Partner Perception of LTD as Community Leader: **Goal: 7**
- Access to Frequent Transit (total population): **Goal: 2**
- Access to Frequent Transit (minoritized population): **Goal: 3**

Requested performance-based compensation for Community Value: \$0

Community Value was planned as a third or fourth quarter goal to set a baseline and achieve desired results. This has been more complicated than other surveys to plan and administer. We have procured a third party to help develop the survey tool and it should be out in Q1 FY23. This will ensure the collection of accurate information to understand the value that the community has for LTD and plan for future improvement.

FINANCIAL HEALTH

Goal: Achievement of three year rolling financial plan targets

Annual Measure: Develop policies, reporting, and analytics to ensure financial goals are met.

Maximum performance based compensation: \$3750.00

Overall Financial Health score: 18.4; out of 15. We were able to go above our goals in this area and the score reflects that. The Director of Finance has a strong handle on policies and programs that will set the District up for long term financial success.

Tactics for achieving the Financial Health goals and scores are:

- Operating cost per Boarding: **Score: 10.4, Goal: 8**



- Maintenance cost per Mile: **Score: 5.2, Goal: 4**
- Vehicle hours per labor hour: **Score: 2.8, Goal: 3**

Requested performance-based compensation for Financial Health: \$0 - maximum paid out in Q3

Overall, this year's financial targets have been achieved in the second and third quarter through controlling costs that drive the budget, primarily in operations and maintenance. Policies are being developed that will ensure financial stability and that community needs are met. The Board has approved a revised reserve policy that will allocate funds to ensure that LTD can provide a sustainable level of service even in a down turn and meet the long range financial plan goals. Finance staff has been working diligently to get this set up and achieve the SBP financial health goals. The budget, CIP, and the long-range financial plan are adopted and the FY 22 year-end shows a favorable year with expenditures coming in under the budgeted amount.

SUSTAINABILITY

Goal: Reduce Greenhouse Gas Emissions by 70% by 2030.

Annual Measure: Reduce Greenhouse Gas Emissions by 10%

Maximum performance based compensation: \$2500.00

Overall Sustainability score 7.9: out of 10

Tactics for achieving Sustainability goal and scores are:

- Greenhouse gas emissions: **Score: 3.3, Goal: 3**
- Fleet transitioned to electric: **Score: 0.9, Goal: 2**
- Renewable fuel consumption: **Score; 2.7, Goal: 3**
- Overall ridership increase: **Score: 1, Goal: 2**

Requested performance-based compensation for sustainability: \$0-maximum paid out in Q2

The tactics for achieving sustainability goals are important to reduce greenhouse gas emissions. Ridership is a community measurement that does not directly reduce LTD's GHG emissions but does help reduce the community GHG emissions by reducing the number of vehicles on the road.

Last quarter eleven all electric buses were deployed to full service and 19 more are expected to be delivered in Q2 of FY23. Because of supply chain issues these buses were delayed by 6 months. The District has also applied for grants for at least five additional electric buses.

Renewable fuel has provided the largest decrease in GHG emissions. LTD has been primarily using R-99 diesel which is 99% from renewable sources and not fossil fuel based.

Based on the goal of reducing GHG emissions by 70% by 2030 the measure is to reduce 10% a year to achieve that.

Overall GHG reductions for the year is 77%. Converting to renewable diesel for the diesel fleet and the addition of 11 electric buses was a significant step to reducing GHG emissions. We were able to exceed the annual goal and in fact exceed our 2030 goal quickly because of those decisions and the availability of the new fuels.



Q4 performance-based compensation request:

\$4000-Employee Engagement

Total: \$4000.00

Annual performance-based Compensation:

Customer satisfaction:	\$2000.00-Q3
Employee Engagement:	\$4000.00-Q4
Community Value:	\$0
Financial Health:	\$2500.00-Q2
	\$1250.00-Q3-maximum achieved
Sustainability:	\$2500.00-Q2-maximum achieved
Total:	\$12,250.00
Maximum possible:	\$25,000.00